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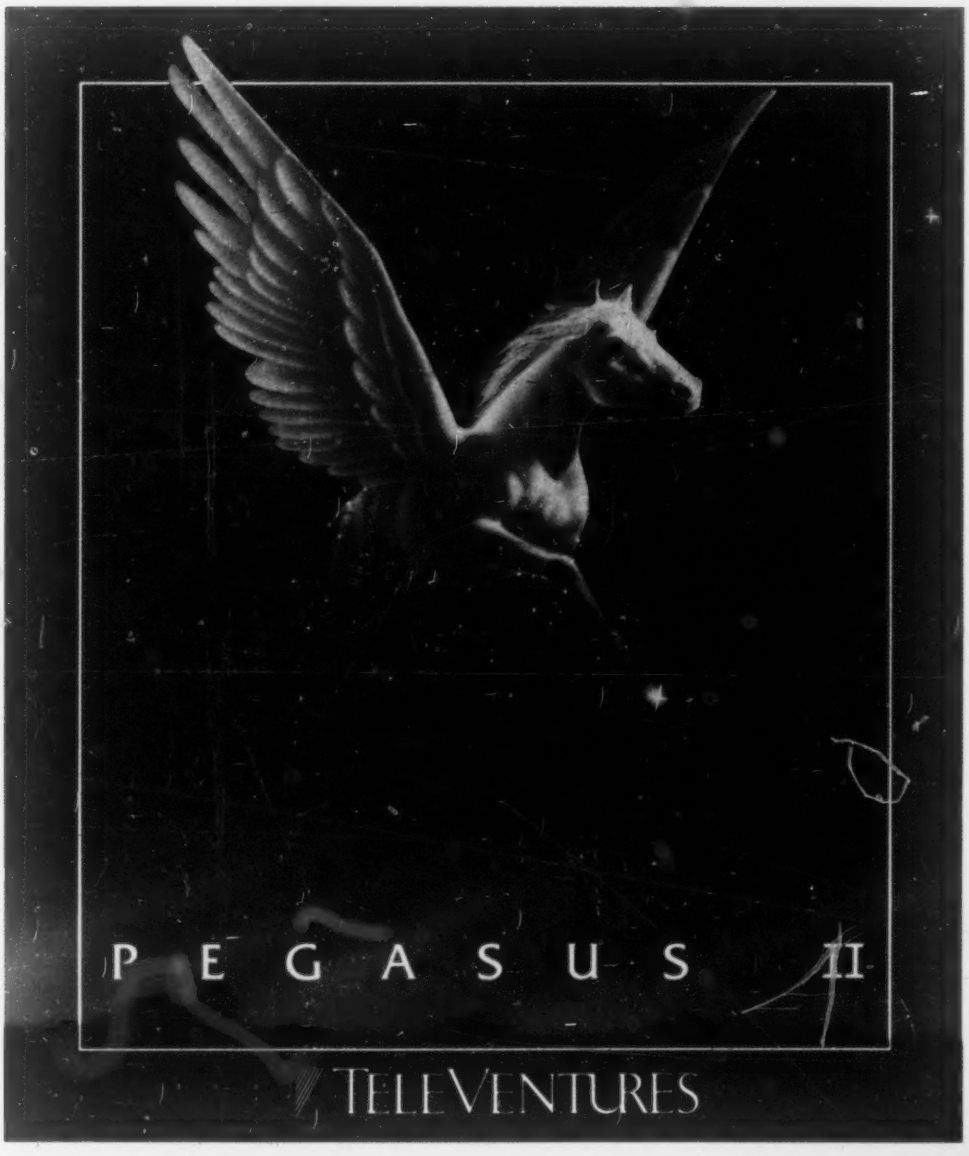
The Fifth Estate

RADIO TELEVISION CABLE SATELLITE

Broadcasting Aug 14



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58th Year 1989

TV STATION PROFITS

Football 89

Broadcasting Aug 14

Vol. 117 No. 7

How healthy is TV station business?...

As TV operators plan their budgets for next year and beyond, there is debate over how profitable next decade will be. **PAGE 27.**

New style at FCC...

New FCC Chairman Alfred Sikes is sworn in, bringing with him belief in marketplace and in "special quality" of broadcasting. Pictured with Sikes (l) are his wife, Marty, and FCC Commissioner James Quello.

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Football '89: brand new ballgame...

BROADCASTING's special report on college and professional football examines cable's increasing role in bringing gridiron action to American viewers, changes in radio and television coverage and next year's competition for major sports rights.

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Joe Montana

31/ **FULL AGENDA**
Children's television, cable issues, TV violence and fairness doctrine are among Fifth Estate issues facing Congress when it returns from its August hiatus.

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Outlet Communications agrees to sell all but two of its remaining broadcast properties to Chase Communications for $120 million.

51/ **MADE-FORS**
Made-for-cable movies are being increasingly used to provide specialized

'Nightlife'

entertainment and attract stars to medium.

33/ **MISSING**
Plane carrying Congressman Mickey Leland (D-Tex.) disappears over Ethiopia.

48/ **IS IT SAFE?**
Sample of television critics reviewing new fall programs characterize new shows as "safe."

54/ **AM RADIO FIGHTS BACK**
This second part of BROADCASTING's series on AM radio looks at audience statistics, revenue shares and AM market values, and finds, among other things, tha dominant top-market AM's continue to hold their own.

57/ **RADAR REPORT**
ABC Radio's Paul Harvey is named most popular radio network personality in SRI's spring 1989 RADAR report.

57/ **HOPE FOR REFORM**
Following attention to Sonrise-Root affair, and given priorities of new FCC Chairman Alfred Sikes, critics of FCC's comparative hearing process are hoping for major reform.

65/ **MONITORING TELEVISION ADS**
Arbitron says it will implement computerized monitoring of television advertising in second quarter of 1990.

66/ **OVERSEAS MARKET**
Gary Bryson, president of cable division of US West telephone company, talks about company's overseas cable strategy.

87/ **CREDIBLE FORCE**
Nielsen Media Research's John Dimling has built reputation for objectivity and knowing his stuff in field of Fifth Estate research.

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limited payments for withdrawal of petitions to deny to expenses.

FCC also required challengers in comparative renewal hearings to make more detailed financial and ownership disclosures and eliminated presumption that successful challenger would be able to acquire incumbent's transmitter site.

Apparently because of concerns expressed by Congress, FCC deferred action on revamping renewal expectancy criteria. Incumbents that win renewal expectancies are virtually assured renewal.

In separate proceeding, FCC proposed at Jan. 30 meeting replacing comparative hearings with lottery to choose among competing applicants for new radio and full-power television stations. If it adopts lottery, it will be over objections of communications attorneys, National Association of Broadcasters and key members of Congress.

Compulsory License

FCC has voted to recommend to Congress that it abolish 13-year-old compulsory copyright license for local as well as distant signals, saying move would benefit consumers, broadcasters and cable programing services.

What Congress will do is unknown. Politics are complicated by fact that some broadcasters want to do away with license for local signals and require cable systems to pay broadcasters. National Association of Broadcasters has formed committee to explore possibility of creating new copyright scheme that includes retransmission fee and carriage requirements for local signals (BROADCASTING, June 19 and 26).

On Jan. 3, House Telecommunications Subcommittee member John Bryant (D-Tex.) reintroduced bill he offered in last Congress (BROADCASTING, April 4, 1988) to condition license on carriage. Senate Copyright Subcommittee Chairman Dennis DeConcini (D-Ariz.) revived measure from last Congress virtually identical to Bryant's bill.

Crossownership

Telco-cable—FCC has tentative plans to hold en banc hearing on telco-cable issue. Agency initiated debate on whether telcos should be allowed to provide cable services in July 1988 when it tentatively voted 2-1 to recommend Congress lift telco-cable crossownership ban.

Senator Al Gore (D-Tenn.) has introduced bill lifting crossownership prohibition; companion measure was offered in House by Rick Boucher (D-Va.).

FCC may not be able to affirm decision. Commissioner James Quello issued statement Jan. 13, saying he was reconsidering vote favoring repeal. And Commissioner Patricia Diaz Dennis, who voted against "tentative conclusion," continues to feel ban against telcos controlling programing should be retained, although she believes telcos should be allowed to offer video transmission services as common carriers.

FCC move follows National Telecommunications and Information Administration report on cable TV regulation recommending telephone companies be allowed to serve as transporters of others' programing, although not as programers themselves, in telcos' own service areas (BROADCASTING, June 20, 1988).

At present, barriers to such BOC crossownership include not only FCC regulations and 1984 Cable Act but also modified final judgment issued by U.S. Judge Harold Greene in his supervision of breakup of AT&T. NTIA has petitioned FCC to preempt Greene's regulation of BOC's, arguing that judge is hampering their entry into information services, including cable.

Duopoly, one-to-a-market—FCC voted Oct. 27, 1988, to relax duopoly rules to allow closer spacing of commonly owned AM and FM stations, arguing that impact on diversity would be negligible and that it let some broadcasters reap certain economies of scale.

Using same justification, FCC relaxed policy for waivers to one-to-a-market rules Dec. 12, 1988, saying it would look favorably on waiver requests involving top 25 markets with at least 30 broadcast "voices."

Broadcast-newspaper—Appropriations bill (H.R. 4782), which was signed into law, includes provision that prevents FCC from reexamining its broadcast-newspaper crossownership rules.

Direct Broadcast Satellites

■ FCC commissioners on Aug. 2 granted 11 pairs of channels to each of four new direct broadcast satellites (DBS) and approved use of that high-power spectrum for services other than direct-to-home TV. Acting on latest (fifth) round of applications, FCC adopted policy of allocating to each applicant and permittee channels at two orbital slots—one in east, from which services can reach all 50 states, and one in west, from which only western half of continental U.S. (half-conus) can be reached. DBS operators will be allowed to offer full or half-conus services and to use four western slots to offer regional TV or, alternatively, regional data, voice or other services. Action asked for comments on, in words of outgoing FCC Chairman Dennis Patrick, how spectrum might "gravitate toward the best use for the public."

Complex compromise package of grants allotted 11 channels at each slot to Continental Satellite Corp., EchoStar Satellite Corp., Directsat Corp. and Direct Broadcast Satellite Corp.; eight channels at each slot to previous permittees United States Satellite Broadcasting Co. and Dominion Video Satellite and 27 channels at each to permittees Hughes Communications Inc. and Advanced Communications Corp., both of

BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING			
SERVICE	ON AIR	CPs	TOTAL*
Commercial AM	4,957	261	5,218
Commercial FM	4,210	753	4,963
Educational FM	1,398	252	1,650
[illegible]	[illegible]	[illegible]	[illegible]
FM translators	1,769	318	2,087
Commercial VHF TV	547	23	570
Commercial UHF TV	527	213	740
Educational VHF TV	122	5	127
Educational UHF TV	218	26	244
[illegible]	[illegible]	[illegible]	[illegible]
VHF LPTV	300	205	505
UHF LPTV	324	1,508	1,832
[illegible]	[illegible]	[illegible]	[illegible]
VHF translators	2,722	121	2,843
UHF translators	2,133	443	2,576

CABLE†	
Total subscribers	50,897,000
Homes passed	73,900,000
Total systems	8,000
Household penetration†	58.4%
Pay cable penetration	29.4%

* Includes off-air licenses. † Penetration percentages are of TV household universe of 90.4 million. ‡ Construction permit. ** Instructional TV fixed service. ** Studio-transmitter links.

Errata

Sale price of WLVK-FM Statesville, N.C. ("Changing Hands," Aug. 7) was incorrectly reported. Actual price was **$8 million**. Broker for sale was Blackburn & Co.

Application of assignment of **WTVZ-TV Norfolk, Va.,** from TVX Inc. to WTVZ Inc. **was granted,** not dismissed, as reported in "For the Record," Aug. 7.

Second feed of *First Business*, new morning business program from Biznet, was incorrectly reported in Aug. 7 issue. **Correct time is 6 a.m.**

Los Angeles station clearing MTM's off-network *Remington Steele* **is KABC-TV**, not KTLA(TV), as reported in Aug. 7 issue.

ence, produced in cooperation with *American Film Institute*. Bally's hotel, Las Vegas. Information: (818) 907-7788.

Sept. 24-26—*New Jersey Broadcasters Association* 43rd annual convention. Bally's Grand Casino hotel, Atlantic City, N.J. Information: (201) 247-3337.

Sept. 24-26—"Building the Winning Team," workshop for major market stations on setting, managing and reaching audience goals, sponsored by *National Public Radio* and *National Federation of Community Broadcasters*, with funding from *Corporation for Public Broadcasting*. Seattle. Information: (202) 822-2000.

Sept. 25—*Women in Cable, Washington chapter*, annual fall gala commemorating 10th anniversary of WIC with salute to 10 women "who have contributed significantly to the cable television industry." Omni Shoreham hotel, Washington. Information: Lynn Levine, (202) 872-9200.

Sept. 25-29—*National Association of Broadcasters* training course for satellite uplink operators. Tyson's Corner Marriott, McLean, Va. Information: (202) 429-5350.

■ **Sept. 26**—"Journalism Ethics: Honoraria and Other Issues," conference for journalists sponsored by *Washington Journalism Center*, Washington. Information: (202) 337-3603.

Sept. 26—*National Academy of Cable Programming* fourth annual forum. Waldorf Astoria, New York. Information: (202) 775-3611.

Sept. 26-30—10th anniversary conference of *Midwest Radio Theater Workshop*, Columbia, Mo. Information: (314) 874-1139.

Sept. 27—*Walter Kaitz Foundation* annual awards dinner, this year honoring J. Richard Munro, chairman and CEO, Time Inc. New York Hilton and Towers, New York.

Sept. 27—*International Radio and Television Society* newsmaker luncheon. Waldorf-Astoria, New York. Information: (212) 867-6650.

■ **Sept. 27**—*Women in Cable, New York chapter*, cable course, "Beyond the Basic." Viacom Conference Center, New York. Information: (212) 532-6680.

Sept. 28—*National Academy of Television Arts and Sciences, New York chapter*, drop-in luncheon. Speaker: David Niles, president, 1125 Productions, on HDTV. Copacabana, New York. Information: (212) 768-7050.

Sept. 28—*International Radio & Television Foundation* "reunites deans of electronic journalism: David Brinkley, John Chancellor and Walter Cronkite." Plaza hotel, New York.

Sept. 29—Deadline for entries for Ohio State Awards program competition honoring excellence in educational, informational and public affairs broadcasting, sponsored by *Institute for Education by Radio-Television, Ohio State University*. Information: Phyllis Madry, (614) 292-0185.

October

Oct. 1-3—*Illinois Broadcaster Association* annual convention. The Abbey, Fontenac, Wis.

Oct. 1-4—*Association of National Advertisers* annual convention. Theme: "Critical Issues Facing National Advertisers." Homestead, Hot Springs, Va. Information: (212) 697-5950.

Oct. 3-5—*Atlantic Cable Show*. Atlantic City Convention Center, Atlantic City, N.J. Information: (609) 848-1000.

Oct. 3-8—World Summit for Electronic Media, organized by *International Telecommunication Union*. Theme: "Towards Global Information: The Electronic Media Explosion." Geneva Exhibition and Congress Center, Geneva. Information: 31 (2968) 6226.

Oct. 5-7—"Hundred Plus Exchange," sponsored by *National Association of Broadcasters*, Knickerbocker hotel, Chicago. Information: (202) 429-5355.

Oct. 5-8—*Society of Broadcast Engineers* fourth annual national convention. Kansas City, Mo. Call for papers: John Battison, (419) 994-3849. Convention information: 1-800-225-8183.

Oct. 6-7—*International Television Association* region eight conference. Bartel Exhibition Hall, Kansas City, Mo. Information: (816) 932-2792.

■ **Oct. 11**—*Women in Cable, New York chapter*, cable course, "Beyond the Basic." Viacom Conference Center, New York. Information: (212) 532-6680.

■ **Oct. 11-12**—"Improving Our Schools: Can It Be Done?" conference for journalists sponsored by *Washington Journalism Center*, Watergate hotel, Washington.

Oct. 11-14—*Southern Educational Communications Association* conference. Hyatt Regency Crown Center, Kansas City, Mo. Information: (803) 799-5517.

Oct. 11-15—*Women in Communications* national professional conference. Theme: "Creating Your Future." Hilton Plaza del Rio, San Antonio, Tex.

Oct. 12-15—*Minnesota Broadcasters Association* 40th anniversary convention. Radisson Plaza, Minneapolis. Information: Laura Niemi, (612) 926-8123.

Oct. 12-16—*MIPCOM*, international film and program market for TV, video, cable and satellite. Palais des Festivals, Cannes, France. Information: Perard Associates, (212) 967-7600.

Oct. 14-16—*Texas Association of Broadcasters* annual convention. San Antonio, Tex.

Oct. 15-18—*Women in Cable* national cable management conference. U.S. Grant hotel, San Diego. Information: Reenee Gill, (312) 661-1700.

Oct. 15-18—*American Children's Television Festival* for "everyone interested in an optimistic, practical approach to improving children's television." Ollie Awards for "excellence in television programing for America's children" will be presented during festival. Ambassador West, Chicago. Information: (312) 390-8700.

Oct. 16-18—*United States Telephone Association* 92nd annual convention. Hilton hotel at Union Square, San Francisco.

Oct. 17—*Association of National Advertisers* and *Direct Marketing Association* direct marketing workshop for advertisers. Waldorf Astoria, New York. Information: (212) 697-5950.

Oct. 17-18—*Broadcast Credit Association*, 22nd credit and collection seminar. Scottsdale Hilton, Scottsdale, Ariz. Information: Mark Matz, (312) 827-9330.

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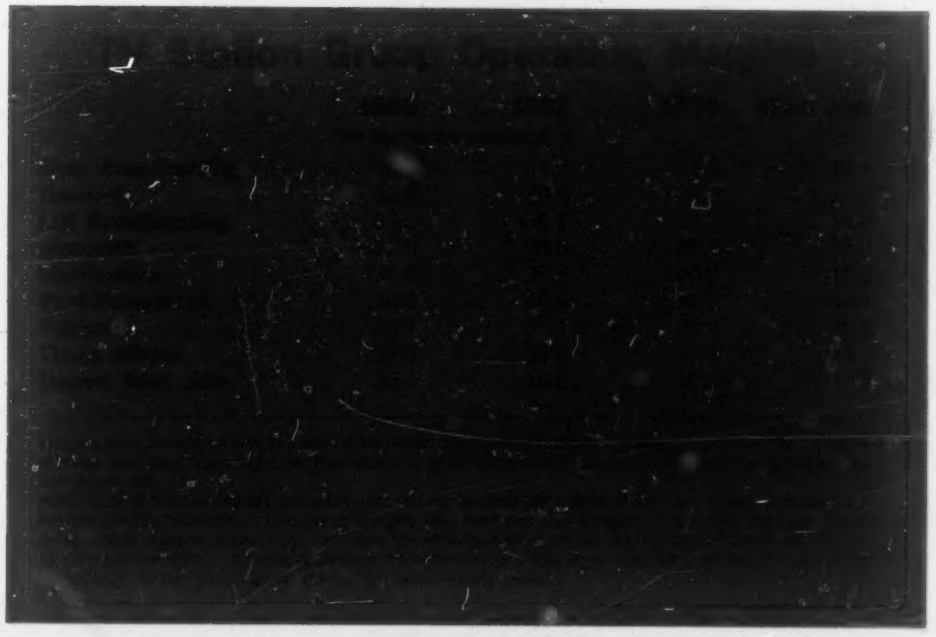
TOP OF THE WEEK



Operators contemplate life on the margins

Tentative predictions by TV executives and analysts reveal disagreement over outlook for station profitability

Television operators are starting the budgeting process for the beginning of the 1990's, and they hope the next decade will be as profitable as the last one. But in the past few years, there has been reason for concern as margins have slipped for many group owners and probably, on average, for the industry as a whole.

Financial and other station group executives, securities analysts and other observers are, in general, tentative about their predictions for margins for the coming year and beyond. Some think that more reasonably priced programing contracts signed earlier are finally due to show up in station operating results, while others see the development of cable and other competitors keeping pressure on those same costs. There continues to be disagreement about revenue growth: Optimists say it can be improved through local and regional sales efforts; pessimists predict moderate growth. There is also the question of how much more cost-cutting can take place given the prior efforts of operators.

Most people say programing has played the biggest role in the decline of station operating margins over the past few years. Industry observers trace high programing costs to the early 1980's when excessively rosy predictions about station revenue affected programing purchases far into the future. Product on the air today was bought by stations in 1983-85. Said Janeen Bjork, Seltel's vice president/director of programing: "That's why stations are saying they're still clobbered by programing costs."

Bjork said that when stations bought *Magnum, P.I.* in 1984, they not only had to predict the rate of revenue growth over the life of the show, but also how the market would behave in the two and a half years before the show they were contracting for went on the air. *The Muppet Show*, she said, began airing in 1982, though it was not till this November that "they finally got it off their books....A lot of people lost their jobs on this sucker."

It is well known that the entry of new independent television stations in the early and mid-1980's also contributed to the bidding up of programing prices. Rise of programing costs has particularly hit independents. In its annual survey of stations' financial results, the National Association of Broadcasters found that from 1984 to 1987, program and production expenses rose from 39% to 55% of net revenues. Over the same time period, programing expenses of affiliates, as a percentage of revenues, went from 16% to 17%.

Lately, some have been encouraged by what they see as a glut of product. Dick Kurlander, vice president and director of programing for Petry Television, said, "The law of supply and demand is working to favorably position the stations in every area." In children's television, Kurlander said that with Warner, Fox and Disney producing product, "you'll have more product in access than I can ever remember and that's driving prices down." He also said the level of program development suggests the programing oversupply is not temporary.

The question for many operators is whether "more favorable" is good enough. For affiliates, the current moderation of programing prices is also due in part to the aging of certain product, such as the King World game shows, which have yet to be replaced by hits of a similar stature.

Pressures remain to spend high for a hit. Beyond the top 50 markets, said Bjork, "there are markets where being number one may be the difference between being bought nationally [by advertisers] and not being bought."

By taking on certain affiliate characteristics, via the Fox network and first-run barter shows, independents have been able to control programing costs to some extent. According to F. Gray Kiger, vice president and treasurer of TVX Broadcast Group, that company's film costs—at one time 60% of net revenues—are now 40% of net revenues and will be around 35% next year, if all goes well. Aside from the hours now pro-

gramed on TVX stations by Fox, the Virginia Beach, Va.-based group owner has sharply reduced its purchases of movies and other product by airing religious programs, court shows and home shopping and using product already on the shelf.

The lag between program contract signings and program airing means that many profit and loss statements do not yet reflect the news about prices coming down. Those who see a noticeable change in programing costs do not expect the change to reach financial statements until over a year from now.

And the declines in the "programing expense" line of financial statements do not necessarily reflect what stations still have to pay. Financial results for Post-Newsweek, Tribune, TVX and many other station groups will look better in coming years because of recent programing write-downs—where programing expenses (which is the amortizing of programing assets) decline more quickly because the station group decides to write down the value of some of those program assets after realizing they would not generate expected advertising revenue.

Looking at programing obligations on a cash basis provides a slightly different perspective, although it, too, can be deceptive due to upfront payments and other special considerations. On the low side, "film contracts payable" (actual payments due syndicators during the 12 months after the most recent fiscal year-end) were up only 4% for SCI Television and were down 1% for Belo, up 5% for United Television, and up 1% for Meredith. But for Multimedia, they were up 15.2%; for Park Communications, up 11%; for Scripps Howard, up 29%, and for LIN, up 16%.

Some think that in programing, local cable operators may be the destabilizing element that independent stations recently were. Fred Walker, president of Broad Street, which has purchased, subject to FCC approval, KWQC-TV Davenport, Iowa, said, "If the trend continues that cable buys up off-network product, we need to worry about buying or creating original product that is more cost efficient."

Regarding news costs, which for affiliates are of relatively the same magnitude as programing, there is some disagreement. At least a decade ago, there was much talk about escalating anchor salaries. And news budgets increased for other reasons, including expensive new technology such as ENG cameras and satellite uplink trucks. The new equipment probably created more jobs than it eliminated since it primarily enabled station news divisions to do more, rather than do the same, with less.

There are some now who think the current technology is beginning to save costs. Sophisticated ENG cameras in smaller markets have led to smaller crews on location while robotic cameras in larger markets are proving cost effective in eliminating camera personnel completely.

Such developments have led some broadcasting executives to predict that news costs in the future will be held to the rate of inflation. One of those not convinced is Willard Hoyt, vice president and treasurer of Nationwide Communications: "Obviously, if you control news costs you can keep margins up, but I don't think the competitive environment in news will allow you to control news costs." Said Merrill Lynch securities analyst Peter Falco: "I'm just wondering what happens when a 24-hour news service is appended to a local sports operation. I'm not sure how the broadcasters will cope."

Certainly many broadcasters have helped disperse news costs over a greater number of newscasts, but how much more that trend will continue is unclear, now that many affiliates already have news in early morning, at noon, early fringe and late night.

Beyond news and programing, many costs are relatively fixed, say station executives. Many discretionary cuts have already been made, they say, the result of both several years of slowed revenue growth and the result of new management—roughly half of commercial television stations have changed hands in the past decade. The controller of a large affiliate group also said, "Programing and labor can equal 60% to 65% of total expenditures, so that doesn't leave too much to cut."

> **"Obviously, if you control news costs you can keep margins up, but I don't think the competitive environment in news will allow you to control news costs."**
>
> **—Willard Hoyt, vice president and treasurer, Nationwide Communications**

Labor is one of the faster growing expense lines at TVX, Kiger said. In addition to salary increases typically rising 4% to 7% each year, the cost of benefits and taxes, once 15% to 20% of the payroll, is now 35% and growing, he said.

Perhaps the most discretionary expense, according to more than one executive, is advertising and promotion, which accounts for somewhere between 5% and 10% of many stations' budgets. Advertising expenditures are broken out in financial statements only for the company as a whole, which usually include other operations and can reflect special circumstances. But financial statements for media companies as a whole indicate that most have been holding advertising costs down—thereby doing what they urge non-media companies not to do.

Station operators are hoping to moderate the growth of sales costs while priming the growth of sales themselves. Broad Street's Walker said stations may have to spend money on consultants and others who can bring in vendor dollars. Peter Desnoes, chief executive officer of Burnham Broadcasting, agrees: "The typical TV station has found that it has to do things that it didn't do before in marketing...projects such as going after Yellow Pages dollars and paying for specialized consultants, such as those in the hospital field. Five years ago, a sales manager would say we didn't need that." But most of those who commented expect sales and marketing costs to increase only gradually.

Again, generalizations mask exceptions. For the five affiliate stations of Heritage Media, selling, general and administrative (SG&A) costs over the past four years increased faster than programing costs. At three of the stations, compound annual growth of SG&A was greater than 10%. Heritage indicated recently that at some of its stations, local sales staffs are 50% to 100% larger than at competing stations, even though the size of the total staff is smaller.

The degree to which revenue and costs increase over the next few years may depend on the economy, although station executives do not necessarily agree on the correlation. Margins have, on average, been declining over a period when there has been higher than expected consumer spending and economic growth and relatively low inflation. Whether advertising spending will grow during a "soft landing" of the economy and whether holding costs to inflation will no longer be a blessing is one of the unknowns over which station executives know they have little control. One instance where the correlation, whatever it is, may have an identifiable impact is automobile advertising, on which many stations have developed a heightened dependence.

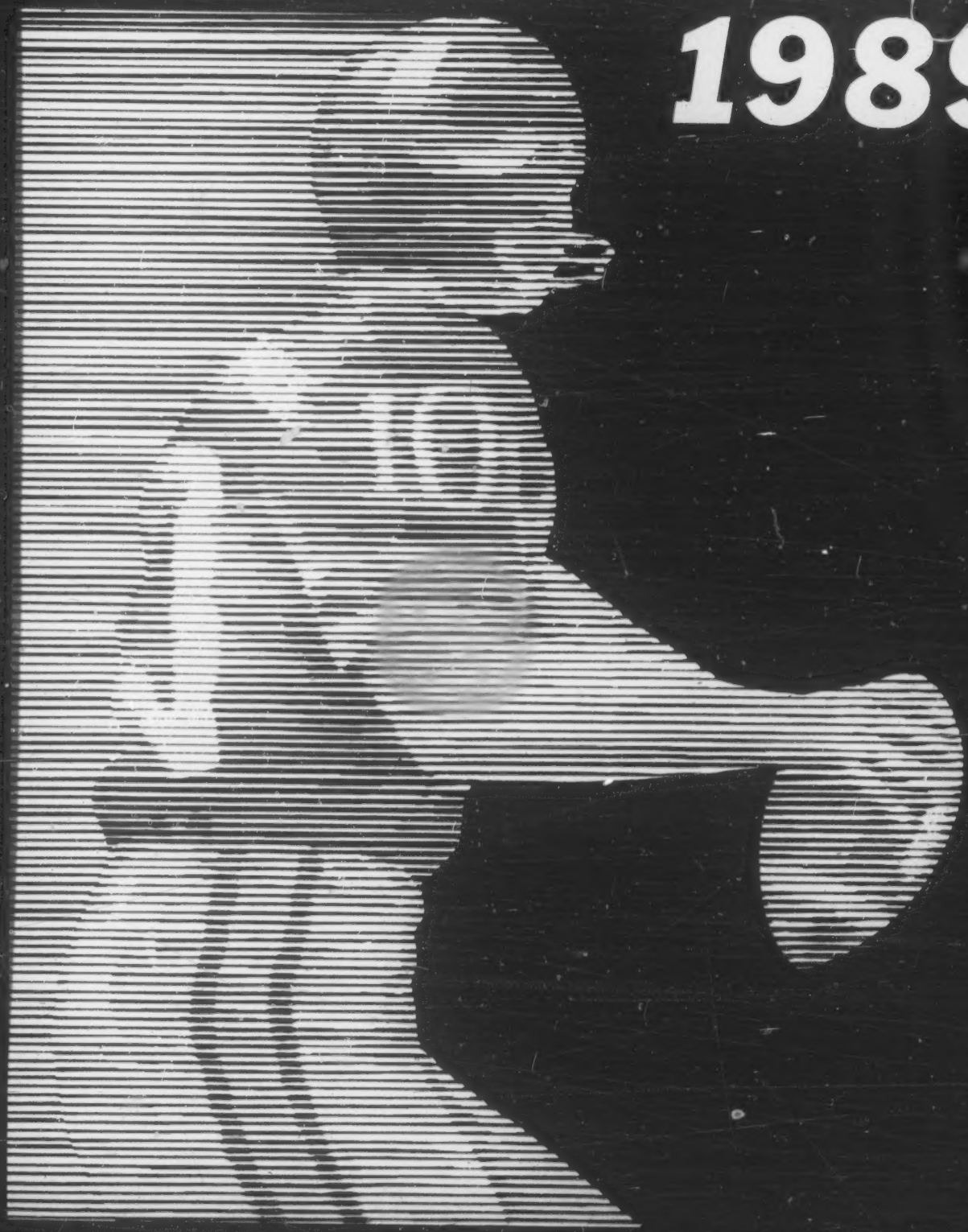
At least part of a station's margin change in recent years can be attributed to one-time events, such as the writers' strike, which hurt affiliates but probably helped independents, and the introduction of the people-meter in the fall of 1987, which had a similar contradictory effect. For 1990 and beyond, the uncertainty of the larger picture and the possibility of other one-time events have led broadcast executives and observers to be tentative in their outlook whether optimistic or pessimistic.

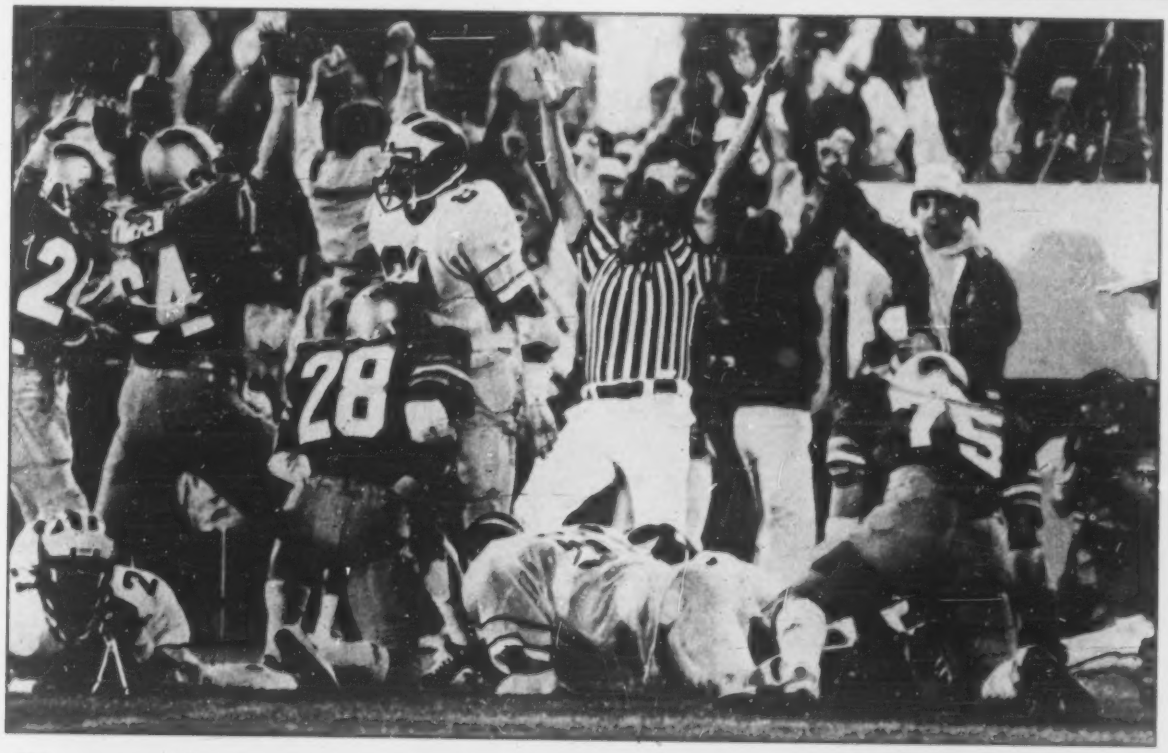
Holding the latter perspective is Merrill Lynch's Falco: "On a secular basis, I think station margins will be lucky to be maintained on a general basis.... Most stations would probably do well to keep their cost levels on a par with modest revenue increases." Agreeing with that outline is Hoyt: "What I see is that there will continue to be more competition for revenue so that a station's share will get smaller while their costs won't be bound by the same constraints."

Cautiously optimistic are both Desnoes and Phil Jones, president of Meredith Broadcasting Group. The latter sees margins improving if one assumes "reasonable" revenue increases, which he pegged at 8% to 12%. **–GF, GM**

FOOTBALL

1989





Broadcast, cable battle for the ball

Although broadcasters still have the pick of the sports rights draft, cable television is fielding a strong team. In the months preceding this college football season, ESPN, SportsChannel America and newly formed Prime Network have all evidenced strength in a handful of significant rights negotiations, demonstrating their abilities to gain the rights to major conference events. Their successes appear to have fueled the claim—among independent broadcasters and among some members of Congress—that cable TV is siphoning both professional and amateur sports programing from "free TV." The cable programers believe that is a cry of "wolf" and that their new college football schedules comprise games that had lain fallow and unenjoyed by viewers until cable packaged them.

This year's special report surveys the changing field of college ball, sums up the current NFL season's rights picture and looks ahead at early 1990, when rights to several of the nation's major sports, including the NFL, will be up for grabs in an increasingly varied, monied and competitive market.

Cable competing, and cooperating, with broadcasting

Only a year ago, regional cable sports channel football schedules were dominated by packages distributed by independent syndicators, which continue to hold the rights to major college conference and interconference games. Almost invariably, packages syndicated by Raycom Sports (Southwest Conference), Jefferson-Pilot Telecommunications (Atlantic Coast Conference and Great American Independents package), Video West Network (Western Athletic Conference) and Mizlou Communications (the Independence and other bowls) were sold to regional cable only after national broadcast, national cable and local broadcast clearances, in that order.

Changes in the formula have accelerated in 1989, at least for affiliates of SportsChannel America, the newest national cable sports channel with regional affiliates in New England, New York, Florida, Ohio, Chicago, Philadelphia and Los Angeles. SCA this year has the rights to 12 Notre Dame football games, although only two will be live telecasts. Last spring it lost a pitched battle for rights to the Pac-10 conference. But it has also gone head-to-head with Raycom in Dallas—a battle that two weeks ago ended up in court—and could still win rights to the Southwest Conference. By many accounts, SCA entered those markets offering, in the case of the Pac-10, more than double the conference's expectations.

In several cases, however, SCA has run into another semi-national cable organization, Affiliated Regional Communications, also known as Prime Network, a program sharing partnership made up of other regional channels, including Prime Ticket (Los Angeles), Home Sports Entertainment (Dallas) and Prime Sports Network (Denver), The Sunshine Network (Florida) and Prime Sports Midwest (Indianapolis). It was to Prime Ticket that SportsChannel lost in the Pac-10. Prime plans to distribute programing to four other future regionals—in Pittsburgh, Indiana, San Francisco and Seattle—and has established informal program sharing deals with virtually every other regional cable sports channel in the nation, including Home Team Sports in Washington and Baltimore, Madison Square Garden Network in New York and Pro Am Sports

System in Detroit.

Based on SCA's heavy bidding against Raycom for the SWC, Raycom executives do not see SCA as friendly to syndicators or broadcasters. But so far, Prime's activities do not contradict its President Ed Frazier's stated intention "to preserve the syndicators because we don't believe cable is ready to carry all the freight." Pointing to Prime's "history of open architecture," he insisted that Prime has not discounted the possibility that it could syndicate its sports packages to broadcasters. And in Texas, Prime and Raycom last month submitted a joint bid for the SWC and were prepared late last week to announce further co-ventures. But, said Frazier, Prime is "not looking at competing with SCA or ESPN as national programers. We're just looking at making the process of program sharing smoother."

Nevertheless, although CBS and ABC retain first pick from schedules of 63 schools represented by the College Football Association and of major conference games, both SportsChannel and Prime have entered the scene as players seeking product worth distributing nationally. With both network (NBC) and cable operator (Cablevision Systems) money behind it, SportsChannel appears to be a national power with staying power. And with Tele-Communications Inc. and Daniels Associates equity in four regional affiliates (66% in Prime Sports, 49% in Sunshine, 100% in HSE and an as yet undetermined percentage in Prime Sports Midwest), Affiliated Regional Communications' Prime Network is something more than a regional, if something less than a national, operation.

And following head-on collisions over the Pac-10 (Prime won) and SWC (undetermined), as well as over the University of Florida (SCA won) and Florida State (Prime won), the two services will likely continue to compete. "Some of SportsChannel's bidding has been almost suicidal," said Frazier. "That will take care of itself. We believe it will require sound business practices if we're going to stay in business over the long haul."

Broadcast networks still atop the pecking order

All entering the third year of multiyear contracts, CBS, ABC and ESPN are again paying approximately $45 million total for rights to carry College Football Association (CFA) and major conference and interconference games. CBS in June signed a multiyear extension of its current contract and retains first pick from the CFA, which negotiates rights on behalf of 63 National Collegiate Athletic Association teams. This season it will pay $16 million for a CFA package including 17 regular season games and the John Hancock (formerly Sun) Bowl, Dec. 31, and the Mobil Cotton Bowl Classic, Jan. 1. The schedule includes several Notre Dame games, high-profile intraconference games, such as Alabama at Auburn, Dec. 2, and games with historical appeal—Army vs. Navy, Dec. 9.

In the second year of a nine-year deal with the Pac-10 and Big Ten conferences, ABC will pay $13 million for a package of 23 to 24 regular season games and approximately $10 million for rights to the Rose Bowl. Retaining first pick of games in both conferences, ABC last spring extended both the regular season and Rose Bowl contracts through the 1996-97 season.

ESPN will pay $16 million to air 27 CFA games left over after CBS has culled its own schedule. The ESPN schedule will, however, include a mix of high-profile intraconference (Syracuse at Pittsburgh, Sept. 23) and interconference (Clemson at Florida State, Sept. 9) games. In its 10th year of televising college football, ESPN's 10th college football season schedule will total 50 live games, including six Ivy League, six Big Ten and two Pac-10 games. On New Year's day, the Gator and All-American Bowl games will again be seen on the number one basic cable channel.

Threat to 'free TV?'

After CBS, ABC and ESPN take their picks from the major conference and independent college schedules and from the College Football Association, which represents a whopping 63 schools, each with season-long schedules, the rights to a host of major college games remain to be sold. CBS will air 17 regular season CFA games. ABC will air 23 or 24 Big Ten or Pac-10 games.

But ESPN will air the most Division I games nationally, a total of 50, including 27 CFA games and games from the Big Ten and Pac-10 conferences. On the West Coast, the Pac-10 conference rights have gone to cable in the form of a Prime Ticket-ESPN co-venture. Prime Sports Network in Denver holds the rights to the Big Eight conference. SportsChannel America has right to 12 Notre Dame games, two of those live. And in the Southwest, the bidders include SCA and a Raycom-Prime Network co-venture. In addition to ESPN, SportsChannel and Prime Network, Turner Broadcasting, which had through last season syndicated Southeastern Conference (SEC) football games to a 44-station regional network of broadcast stations, will this year keep that schedule cable-only, via superstation WTBS(TV) Atlanta.

On the local level, the regionals are also a power. Prime Ticket holds rights to USC and UCLA sports. SportsChannel Florida is rightsholder to season packages from the University of Miami and of Florida. The Sunshine Network has rights to Florida State. When the second-pick games match up high-profile teams from different regions, rightsholders such as SCA and Prime Sports can, or hope eventually to, sell them to advertisers as national product.

In late July, Association of Independent Television Stations Chairman John Serrao warned Congress that "if current trends continue—and we have every reason to believe they will actually accelerate—by the mid-1990's, the majority of the most popular professional and collegiate sporting events will be available only to those who can afford cable" (BROADCASTING, July 31).

Within a week, four members of Congress—Ed Madigan (R-Ill.), Tom Tauke (R-Iowa), Mike Oxley (R-Ohio) and Dennis Eckart (D-Ohio)—asked House Telecommunications Subcommittee Chairman Ed Markey to examine a new six-year rights deal between ESPN and the Big Ten conference and to schedule a hearing "at the earliest possible convenience" on "the movement of sports programing from over-the-air television to cable."

West Coast showdown: Cable vs. cable

If acted upon, the congressmen's request may lead Capitol Hill to

New world of spring football

Spring football is on its way back to American TV screens for the first time since the mid-decade folding of the United States Football League. The new World League of American Football (WLAF), backed by a group of National Football League team owners, will bring 12 U.S. and non-U.S. teams together for a 10-week round robin and three post-season games beginning no later than 1991.

The WLAF board, together with its president and organizer, former Dallas Cowboys general manager Tex Schramm, will meet in Chicago next Monday, Aug. 14, in hopes of fixing the league's start date. Although a 1990 launch is still a possibility, 1991 is considered more realistic, given the wide range of details still to be resolved, such as host city selection, franchise ownership, advertiser sponsorship and domestic and international TV contracts.

In the U.S., over-the-air and cable networks already in discussions with the league include ABC, CBS, NBC, Fox, ESPN, Turner Broadcasting, SportsChannel and USA Network. NBC has already ruled out interest in a 1990 startup, and CBS is considered unlikely to be a strong bidder because of its full plate of spring sports.

According to WLAF TV consultant Jim Spence, a 25-year ABC veteran and former senior vice president of sports who handled the network's carriage of USFL games, the WLAF expects domestic carriage to involve a mix of broadcast and cable entities. The league hopes to air all six weekly Saturday, Sunday and Monday games, and a single TV package is less than probable, Spence added that cable and broadcast entities were negotiating separately.

U.S. cities on the list to host teams include New York; a site in California and one in Florida; San Antonio, Tex., and possibly Birmingham, Ala., Nashville, a Midwest city or Washington, D.C.

even closer scrutiny of the latest Pac-10 and Southwest conference rights deals.

While the Pac-10's co-venture with the Big Ten this past spring extended ABC-TV's national rights package through 1996, the newest national cable sports channel, SCA, "got into a strong bidding war" with Prime Ticket and ESPN over the rights to the remaining Pac-10 schedule, said Pac-10 Commissioner Tom Hanson. ABC retains the pick of the litter, and a large pick it is, with a 23- or 24-game schedule, 16 of them aired nationally, the others regionally. The Pac-10 and Big Ten each will earn $6.5 million from ABC, which also extended its rights to the Rose Bowl, played between the winners of the two conferences, through the 1996-97 season.

But in winning the second-pick conference rights, Prime added a high-profile conference to its schedule, at no small price. The six-year Prime-ESPN contract with Pac-10 will reach a total rights value of $66 million, if an option extension to 10 years is adopted, said one knowledgeable source. Gaining a total of 12 football games (10 on Prime and two on ESPN) and 35 events other than men's basketball each year, Prime and ESPN will pay $4.4 million for the 1989 season. They have guaranteed Pac-10 that the games will reach 22 million subscribers through Dallas-based Home Sports Entertainment, the Sunshine Network in Florida and other regionals. As the subscriber base and ad revenue grow, payments will escalate each year. Over 10 years they will average $6.6 million, or $100,000 more than ABC is paying the conference this year.

SCA "very definitely" raised the bidding levels, said Hanson, adding that the conference had entered negotiations "expecting not to do a deal for the conference at all." Saturday television windows limited by network schedules have meant that game-time changes to accommodate TV schedules are often required—a step that can cost home teams $10,000 per game in defections at the gate. "You have to have substantial rights fees" to offset such losses, he said. "We had not gotten high enough bids" to justify changing game times—until SCA entered the scene, he said. "Over the course of five days, we ended up with a very, very lucrative contract, well above expectations."

Hanson took issue with the broadcasters' claim that the deal "siphons" games from over-the-air TV to cable. The Prime-ESPN agreement, he said, puts more games into the national schedule that "have not been on over-the-air television." A bid several years ago by Sacramento, Calif.-based Kelly Broadcasting and Raycom fell short of the conferences' needs. And, he argued, the local broadcasters in, for example, Arizona and Washington have shown a preference for airing only games played by their states' teams. "National cable," said Hanson, "is actually an enhanced opportunity for national exposure," a consideration always near the top of college agendas.

Asked if Prime Network's go-slow, syndicator-friendly approach is motivated by congressional concern, Prime's Frazier said: "There are economic realities. From our viewpoint, there is a balance between over-the-air and cable carriage of sports. [NTV is crying wolf a little. You can always find isolated incidents, [such as] the Yankees in New York. There is simply more sports on TV."

Texas showdown: Syndi-cable

SportsChannel and Prime were apparently destined to meet again—as it turns out, indirectly, in court. Prime's Southwest Conference (SWC) co-bidder, syndicator Raycom Sports, filed a lawsuit Aug. 2 in District Court in Texas against SCA and its owners (including NBC and Cablevision Systems) and against the SWC. The events leading to that showdown may portend not only other battles, but also co-ventures between cable and syndicators. To match what Raycom Executive Vice President Ken Haines called "a very overpriced bid, designed to get into the [SWC] market," Raycom announced July 21 a joint bid with Dallas-based Home Sports Entertainment, a partner in Prime Network, for a new seven-year multi-sport contract, matching SCA's original $24 million offer.

If the Raycom-Prime bid wins, Raycom would maintain its 20-plus station broadcast TV network in Texas and Arkansas; Prime would distribute the package to its affiliated regional cable channels in other parts of the nation only.

But if SportsChannel wins the conference, fans in Texas and Arkansas would find none of the package on broadcast TV. "The philosophy here," said SCA media relations director Dan Martinsen, "is that if it makes sense from a programing and financial side, [SportsChannel] will go after" a programing product. "We have been wanting to get into the Southwest, particularly Texas, since we launched last year," he said, explaining that the SWC package fits the "makes sense" description. And noting that with rights to the National Hockey League and two live Notre Dame games (vs. Navy and Southern Methodist University), the 24-hour service is filling much of its prime time schedule with live events, Martinsen added, "The focus is on live programing. That is what people want to see, but we're not going to fill the schedule for the sake of filling it."

In any case, the Dallas bidding war has been halted by Raycom's suit, which charges that the SWC enacted an amendment to the current 1987-91 contract that had never been agreed upon. The amendment shortens the deal to 1990 in exchange for Raycom gaining the right at the close of the contract to a competition-free 90-day period during which it could match any offer. SWC, said the suit, negotiated during that grace period with SCA, which "knowingly and willfully induced contract negotiations" with conference officials.

SCA declined to comment on the suit, which charges it with "predatory trade practices, unfair competition and intentional interference" with the current Raycom-SWC contract, which Raycom insists still runs through 1991. In a July 7 letter to Raycom obtained by BROADCASTING, and apparently signed by SWC's Fred Jacoby, the conference affirms Raycom's belief that, if it matched the offer, Raycom would be awarded the contract. Subsequently, however, reported the *Dallas Morning News*, SportsChannel's bid was raised to $29.5 million.

According to an SWC summary of the initial SCA offer also obtained by BROADCASTING, the $24 million offer specified that SCA would "not license SWC football games in this package over broadcast TV in the states of Texas and Arkansas," where, in 1989, Raycom said it has cleared 11 live football broadcasts over a 22-station network in 21 markets.

Rights fees would escalate from $3 million over the first three years (1990-93) to $3.25 million (1993-95) to $4 million in the first option year (1995-96) and $4.5 million in the final year (1996-97). A signing bonus of $500,000 was offered. Additionally, the bid guaranteed that each year from 1990 to 1995, eight SWC football and basketball games would be "televised in New York, Chicago, Florida, Los Angeles, Cleveland, Philadelphia and New England," markets which are covered by SportsChannel regionals.

Raising the stakes yet higher, the bid also included 10-week basketball and 10-week baseball packages, as well as rights to telecast all women's basketball and other men's and women's sports.

Turner tradeoff: Half the nation or all of the region

Two other national cable channels have retained exclusive college football rights. The Turner Broadcasting System will this season stop syndicating its 10-to-12-game Southeast Conference (SEC) college football schedule, dropping its network of 45 stations in the region and making the product superstation WTBS(TV) Atlanta exclusive. In one sense, Turner is bucking the ratings figures. In 1988, its SEC package garnered ratings of 4.7 in broadcast syndication and only 1.7 via the superstation.

But, the broadcast numbers were regional and only reached 792,000 homes. The superstation reaches 49,400,000 subscribers. "We are ecstatic that it is cable exclusive," TBS sports programing director John Vandegriff said. "The SEC is such a national package, I think we'll do well outside the Southeast. But with superstation only, we should even do better in the region. There is a lot of talk down here about forming a regional [cable sports channel]," he said, "but with a national property, it just doesn't make sense."

Black Entertainment Television will again carry a mix of select games from several conferences, including four conferences comprising "traditionally black schools," said BET.

Syndicators wary but not out

The syndicators appear cautiously optimistic about the threat

Buffalo Bills
WBEN(AM) Buffalo

Reg. net. of 18 stations; 5 preseason, 16 regular; station holds rights.

Indianapolis Colts
WIBC(AM) Indianapolis

Reg. net. of 32 stations; 4 preseason, 16 regular; station holds rights.

Miami Dolphins
WIOD(AM) Miami
WQBA(AM) Miami

Reg. net. of 50 stations; 4 preseason, 16 regular; second year of three-year contract. WQBA has Spanish rights; 4 preseason, 16 regular; first year of three-year pact.

New York Jets
WCBS(AM) New York

4 preseason, 16 regular; second year of five-year deal; station holds rights.

New England Patriots
WHDH(AM) Boston

Reg. net. of 52 stations; 4 preseason, 16 regular; fourth year of five-year contract; station holds rights.

Cincinnati Bengals
WKRC(AM) Cincinnati

Reg. net of 50-plus stations; 4 preseason, 16 regular; second year of three-year contract; station holds rights.

Cleveland Browns
WWWE(AM) Cleveland

Reg. net. of 46 stations; 5 preseason, 16 regular; station holds rights.

Houston Oilers
KODA(AM) Houston
KQQK(FM) Houston

Reg. net. of 40 stations; 4 preseason, 16 regular; fourth year of six-year contract; station holds rights. KQQK has one-year contract for Spanish broadcasts.

Pittsburgh Steelers
WTAE(AM)-WHTX(FM) Pittsburgh

Reg. net. of 35 stations; 4 preseason, 16 regular; third year of three-year contract; station holds rights.

Denver Broncos
KOA(AM) Denver

Reg. net. of 55 stations; 4 preseason, 16 regular; station holds rights.

Kansas City Chiefs
KCMO(AM) Kansas City

Reg. net. of 50 stations; 4 preseason, 16 regular; fifth year of five-year contract; station holds rights.

Los Angeles Raiders
KFI(AM) Los Angeles

Reg. net. of 43 stations; Spanish rightsholder yet to be determined; 4 preseason, 16 regular; second year of four-year contract; station holds rights.

San Diego Chargers
XETRA(AM) Tijuana

Reg. net. of five stations; 4 preseason, 16 regular; third year of five-year contract; station holds rights.

Seattle Seahawks
KIRO(AM) Seattle

Reg. net. of 55 stations; 4 preseason, 16 regular; five more years on contract; station holds rights.

Dallas Cowboys
KRLD(AM) Dallas

Reg. net. of 127, plus 13 Spanish stations; 4 preseason, 16 regular; fourth year of five-year contract. Cowboy Radio Network holds rights.

New York Giants
WNEW(AM) New York

Reg. net. of 40 stations; 4 preseason, 16 regular; station holds rights.

Philadelphia Eagles
WIP(AM) Philadelphia

Reg. net. of 30 stations; 5 preseason, 16 regular; first year of three-year contract; station holds rights.

Phoenix Cardinals
KTAR(AM) Phoenix

Reg. net. of 24 stations; 4 preseason, 16 regular; station holds rights.

Washington Redskins
WMAL(AM) Washington

Reg. net. of 87 stations; 5 preseason, 16 regular; first year of three-year contract; station has rights.

Chicago Bears
WGN(AM) Chicago

Reg. net. of 62 stations; 4 preseason, 16 regular; second year of three-year contract; station holds rights.

Detroit Lions
WWJ(AM) Detroit

Reg. net. of 30 stations; 4 preseason, 16 regular; first year of three-year contract; station holds rights.

Green Bay Packers
WTMJ(AM) Milwaukee

Reg. net. of 53 stations; 4 preseason, 16 regular; station holds rights.

Minnesota Vikings
WCCO(AM) Minneapolis

Reg. net. of 55 stations; 4 preseason, 16 regular; second year of three-year contract; station holds rights.

Tampa Bay Buccaneers
WRBQ-FM Tampa Bay

Reg. net. of 28 stations; 4 preseason, 16 regular; final year of three-year contract; station holds rights.

Atlanta Falcons
WSB(AM) Atlanta

Reg. net. of 45 stations; 4 preseason, 16 regular; first year of three-year contract; station holds rights.

Los Angeles Rams
KMPC(AM) Los Angeles
XPRS(AM) Tijuana

Reg. network of 22 stations; Spanish-language via XPRS; 5 preseason, 16 regular; station holds rights.

New Orleans Saints
WWL(AM) New Orleans

Reg. net. of 32 stations; 4 preseason, 16 regular; first year of three-year contract; station holds rights.

San Francisco 49ers
KGO(AM) San Francisco

Reg. network of 25 stations; 5 preseason, 16 regular; station holds rights.

of further cable inroads in college sports. Although Raycom's battle with SCA is over the former's only conference football package, the SWC, Raycom holds the rights to college basketball from several of the most prominent conferences, including the Atlantic Coast (ACC), Big Eight, Southwest, Big Ten and Pac-10 conferences. Nevertheless, all those contracts will end next year, and, as Raycom's Haines noted, "we're already seeing that kind of [SportsChannel] maneuver" for other sports outside football. If Raycom and Prime Network intimations of further joint ventures come to fruition, the syndicators may find that, if you can't beat cable, join it.

Fellow syndicator Jefferson-Pilot, however, is holding fast to the broadcasters-first (and virtually only) approach. JPT distributes an 11-game ACC package, as well as its Great American Independent package of eastern college games. According to JPT's executive director of operations and finance, Fred Boucherle, it is the regional appeal of the packages, particularly for the ACC, that is their strength. "From our point of view, a regional package is for regional distribution," he said. "We can still, within the region, deliver more audience [than cable can]. Whether we can match dollars remains to be seen."

Generally syndicating on a 50-50 barter basis with stations in the major East Coast markets, JPT has found a niche with ABC affiliates, including WCVB-TV Boston, WPVI-TV Philadelphia and WABC-TV New York, that matches the ACC's noon to 3 p.m. ET window with ABC-TV's 3-6 p.m. slot for Saturday network football games. The strategy "gives us a lot of local avails." The 1988-89 season, he said, proved "the best year ever for the ACC in ratings." In 1990, the conference rights will again be in play.

Only rarely, he said, does JPT sell its packages to cable in the Atlantic region, and then only where it cannot obtain broadcast clearances. "We have found it best to keep the packages as uncomplicated as possible," a feat difficult to manage "when you start mixing regions." And mixing outlets with different time slots to fill can also threaten the core business. JPT, he said, is "trying to protect the integrity" of the window that is attractive to ABC affiliates. "We've concentrated more regionally, going the opposite" direction from Raycom's strategy in basketball, where it has sought to offer advertisers a 70% or higher national reach. And JPT's region is already showing signs of expanding, he said, since Turner Broadcasting's decision to go cable-only with the Southeast Conference has independent stations "looking for college football."

Video West Communications syndicates the Western Athletic Conference (WAC) to a healthy mix of broadcast and cable outlets with no apparent in-region, out-of-region bias. Clearances of the package of 11 games, to be played among teams from Colorado, Wyoming, Utah, Washington, California and Hawaii, included 18 broadcast stations in all those states but also as far away as Boston, Tampa, Fla., New York and Lebanon, Tenn. Cable programers picking up the WAC include Prime Network-affiliated regionals Prime Ticket in Los Angeles, HSE in Texas, Sunshine Network in Florida, HTS in Washington, PASS in Detroit, Prime Sports Cable in Denver and Northwest Cable Sports in Seattle. Single cable systems in Boston, Rochester, N.Y., and St. Louis are also subscribers.

For the bowl games, regional coverage will not suffice, and the best way to get national coverage, said Mizlou Communications President Vincent Piano Jr., is to "strive and strive to be on the alphabet networks." At press time, it had nailed down only one 1989-90 postseason event for syndication—the Independence Bowl, scheduled for Dec. 16 in Shreveport, La. Out of the five bowls it syndicated last year—the Independence, Freedom, Peach, Bluebonnet and Senior—three, including the Independence, are possible Mizlou properties this year. "We have them; they leave; they come back," said Piano.

Mizlou usually retains just over 50% of ad inventory, leaving stations with 12 to 14 minutes in each three-hour event. As of last week, the Independence Bowl had been cleared in 68% of the country, with 78% to 82% the target.

NFL rights '89: The half-billion-dollar prize

NFL national rights figures and schedules will differ little from 1988. Together, CBS, ABC, NBC and ESPN will pay a combined $531 million for the rights to carry NFL's 1989-90 season, the last year of multiyear contracts for each network.

Unlike Major League Baseball, with which ABC has lost money and NBC reportedly only broken even last year, revenue from NFL carriage is expected to be healthy. This year, Sunday afternoon games will bring CBS and NBC more than $100,000 per 30-second spot. CBS has already sold about 90% of its ad inventory for the Super Bowl at about $1.4 million per minute. So prized are those spots that CBS is not providing ratings guarantees, said the network's vice president, sports marketing, Hal Trencher. If the Super Bowl delivers, say, a 42 rating, rather than 44 or 45, the advertisers will live with it. "We love the NFL," he said, describing it as "clearly one of the most important, vital parts of our programing in the fourth quarter."

It also composes an important part of expenses. For the rights to air packages of regular season NFL games CBS will pay about $150 million, NBC about $120 million, ABC about $135 million and ESPN about $56 million. NBC will pay additional fees to air four American Football Conference playoff games, and CBS additional fees to carry four National Football Conference playoff games, on consecutive weekends, Dec. 31 through Jan. 14, 1990. Each will spend about $26 million to acquire rights to those postseason games. CBS will pay approximately $18 million to air the Super Bowl on Sunday, Jan. 28.

The NFL schedule on ESPN, in the last year of its three-year contract, totals 13 games: four preseason, including the Rams vs. the 49ers, which was played Aug. 5 in Tokyo, eight regular season games, including seven Sunday evening games (beginning Nov. 5), and one Saturday game (Dec. 23) and the Pro Bowl, Feb. 4, previously the purview of co-owned ABC.

Starting Sunday, Sept. 10, NBC and CBS will each air as many as eight regional regular season games every weekend through Dec. 24. Both the NBC and CBS schedules will include Saturday games, Dec. 16 and 23, and a Thanksgiving Day game, Nov. 23.

ABC, following one Saturday and three Monday night preseason games, will air 16 consecutive editions of *Monday Night Football*, launching the season Sept. 11 with an 8-9 p.m. ET special, *ABC's NFL Monday Night Football: 20th Anniversary Special*, followed by its season opener, New York Giants at Washington Redskins, and will finish the season Dec. 26 with Cincinnati at Minnesota.

Although notable on-air talent changes have been announced for the 1989-90 NFL season on NBC (see box, page 45), CBS, ABC and ESPN will field essentially the same on-air teams viewers saw last season.

On the local level, although TV stations in NFL markets continue to compete for rights to carry several preseason games, rights to a team's entire season—rights some four times as lucrative to the teams—rest with local radio (see chart, page 42). The NFL estimates that, all together, local radio rightsholders will pay teams a total of $32 million for the rights to all preseason and regular season games; local TV will pay the teams about $7.6 million. SportsChannel Los Angeles (formerly Z Channel) made a bit of history this year, winning exclusive rights to televise three L.A. Rams preseason games, but only on a tape-delayed basis, as the three home games will almost certainly not sell out. In all other markets, regional cable channels are still left out of the NFL equation.

Competition among local market news teams for the on-air time of hometown players and coaches comprises an ancillary form of broadcast rights stations are willing to pay, knowing that for many NFL fans the decision to tune in can be based on how and by whom the home team is covered.

NFL 1989: Broadcasters try to get in position to score

NBC, ABC, CBS and ESPN are beginning the final seasons of long-term National Football League deals, just as NBC and ABC fulfill the last year of contracts with Major League Baseball. In 1989, ABC, CBS, NBC and ESPN will together spend approxi-

1989, ABC, CBS, NBC and ESPN will together spend approximately $531 million on NFL rights. NFL executives are well aware that, in early 1990, the NFL will be up for grabs. In addition, the next six to eight months promise to be intense with negotiations over the rights to the National Basketball Association and NCAA basketball's post-season tournament. Additionally, by the fall of 1990, much of college football's rights will also be in play.

Only seven months ago, CBS won exclusive national broadcast rights to Major League Baseball, leaving NBC and, to a lesser degree, ABC with sports programing voids to fill. It was a sudden end for a 40-year NBC tradition. And, at the same time, the number of MLB games on national cable television was changed in one fell swoop from zero to 177, via ESPN's $400 million four-year deal with the league.

With national broadcast rights figures for each sport in the tens, or hundreds, of millions, and with literally hundreds of programing hours and thousands of advertising spots at stake, early 1990 promises to become, as sports syndicator Jefferson-Pilot Telecommunications Executive Director Fred Boucherele put it, "the year of positioning" among the broadcast networks and other competitors, including cable.

As for timing, NFL broadcasting director Val Pinchbeck noted: "It is very difficult for [the league] to embark on serious negotiations until a commissioner is appointed." And even if that happens this month, said one source, history suggests that settlement of negotiations is still unlikely before the end of the current season.

CBS and ESPN have provided interesting groundwork for all the deals to come. The combined $1.5 billion CBS-ESPN 1990-93 contracts with MLB appear to have changed the face of national sports rights deals in several ways (BROADCASTING, March 7). MLB will certainly be richer. ESPN will have professional baseball. And, some observers believe, that by bidding as high as it did for the MLB, CBS took rights negotiating beyond the ad revenue equation, adding considerable emphasis to the "intangibles" a network gains with professional sports exclusivity.

If the MLB deal is any indicator, all the sports in play in 1990 will raise the rent, and each network will have to spend heavily to maintain or gain in the overall balances of power.

"Absolutely," said network sports President Dennis Swanson, "we're concerned over major escalations in rights fees. If you are going to control costs, you have to control rights," which, he said, basically make up 80%, and production 20%, of network sports expenses. ABC may be in the most stable position among the networks come next spring. The loss of baseball accounted for only 7% of the network schedule, and "the entertainment division is happy to get those prime time hours back," he said. On the weekends, ABC's Pac-10-Big Ten football won its Saturday window last fall, and *Wide World of Sports*, he said, was number one in the first and second quarters of 1989. The network spent the past spring quietly locking up Pac-10 and Big Ten football, Big Ten basketball, United States Golf Association U.S. Open and British Open and horse racing's Triple Crown for periods "well into the 1990's," he said, claiming that the combination makes ABC number one on Saturdays and healthy on Sundays year-round.

But it is *Monday Night Football*, the second longest running prime time series behind *60 Minutes*, said Swanson, that will be ABC's top priority. "The ratings track for the series has been excellent, which is why it's coming up on 20 years. Out of all the sports properties, it is our most prized," he said, noting that, "as network shares have dropped, *Monday Night Football* has withstood the tide better than much of its prime time entertainment competition." As for the other properties, he said: "Any network would love to have them. [However,] I don't think that getting out of what was a bad situation," losing money on MLB, "means that we want to get into another. If we can enhance our list of special events, great. Certain properties are extremely valuable to us, but so is our bottom line."

NBC Sports President Dick Ebersol declined comment on the upcoming busy negotiation period, and CBS's Trencher would say only, "I cannot imagine us not pursuing aggressively every major sports product."

The limits on network finances may prove greater than the limits on aggressiveness. In 1989, ABC, CBS, NBC and ESPN will together spend approximately $531 million on NFL rights alone. And the combined cost of gaining rights to multiple professional and amateur sports is anything but negligible for each network. For example, CBS, which will be the king of team sports networks at least for the early part of 1990, is already committed to paying at least $559 million over the next 11 months to retain major rights: $168 million for its NFL regular season package and Super Bowl, $16 million for College Football Association games, about $70 million for 1989-90 NBA coverage, $55 million for college basketball (BROADCASTING, Oct. 24, 1988) and, last and certainly not least, $250 million for its first year of Major League Baseball (MLB) (BROADCASTING, March 6).

New on-camera teams at NBC

NBC's *NFL Live* will field a new team in 1989: pictured, back row (l-r) Mike Leonard, Ralph Wiley and Bobby Beathard; front row (l-r) O.J. Simpson and Bob Costas. Leading the way in what the network itself described as a "major revamping" of its pre- and in-game coverage are the additions of former *ABC Monday Night Football* analyst Simpson, former Washington Redskins general manager Beathard, senior *Sports Illustrated* writer Wiley and former San Francisco 49ers coach Bill Walsh.

Walsh, who took his team to three Super Bowl championships this decade, will replace Merlin Olsen as the lead game analyst. Walsh will team with play-by-play veteran Dick Enberg to make up the network's A team. The performances of Walsh and Enberg will be in the hands of three-time Emmy winner John Faratzis, producer of each Sunday's lead broadcast. Hall of Fame running back Simpson, who had been with NBC from 1978 until returning to ABC as analyst from 1983 through 1985, will team with *NFL Live* host Bob Costas to provide commentary on each Sunday's game schedule.

Beathard, credited with finding championship talent overlooked by the rest of the league during his 12 years with the Redskins, will be featured with Wiley in a new *NFL Live* segment called "The Insiders."

The big ticket item in that group obviously remains the NFL. Compared with the new $250 million-a-year MLB broadcast network contract, described by at least one losing bidder as inflated, NFL rights for all three networks already cost twice that amount per season. For good reason. For all three broadcast networks, the NFL has consistently gained ratings in the teens on Sunday afternoons and ratings in the high teens in prime time during the regular season—compared with ratings usually no higher than an 8 for prime time regular season baseball. The Super Bowl, this season in the hands of CBS, could score a 40 rating.

Those looking for changes in the broadcast-cable balance of power, as radical as the ESPN-MLB deal, one NFL source suggested, will be disappointed. Lessons of overexposure, particularly in college football, mean the league can be expected to make no more than an incremental step, at most the likes of ESPN winning eight regular season games three years ago.

Radio gives football radio play by play

Earlier this year, CBS Radio renewed its current, three-year National Football League contract through 1994 (BROADCASTING, April 24). With the exception of the 1985 and 1986 seasons, CBS

has held the radio broadcast rights to NFL games since 1978.

The broadcast package features 30 regular season games and 10 post-season games, including the Super Bowl and Pro Bowl games. There will be 16 Monday night games, eight Sunday night games (except for 1989, where a Sunday night game will be moved to Saturday to avoid Christmas Eve), two Saturday doubleheaders and a Thanksgiving Day doubleheader. Coverage will begin this year, with the Sept. 11 New York Giants at Washington Redskins game.

Additional programing that will be featured by the network includes *NFL '89 with John Madden*, a 10-part series of preseason reports; *NFL Preview*, a 15-minute series anchored by Brent Musburger and Will McDonough; *NFL Talk*, an hour post-game show broadcast after every Monday night game and the Super Bowl, and an as yet untitled 20-part series anchored by John Rooney during the month of January, leading up to the Super Bowl.

The lineup of sponsors for the package this year includes, to date: ANCO Wiper Blades, Anheuser-Busch, Buick, Isuzu, Campbell Chunky Soup, CBS-TV Entertainment News, Pepto-Bismol, State Farm Insurance and the U.S. Army Reserve. Stephen J. Youlios, vice president, sales, CBS Radio Networks, says the network has put together a promotion with State Farm that features Brent Musburger profiling a team on the road to the Super Bowl, within every broadcast. Musburger will also be doing the voice for their commercials, a first for Musburger on either radio or television.

CBS Radio Sports will also broadcast the Cotton Bowl (college football) on Jan. 1, 1990.

Westwood One's Mutual Broadcasting System will kick off its 12 regular season NFL doubleheaders on Sept. 10 with the Cincinnati Bengals at Chicago.

Mutual will also broadcast 11 Notre Dame games (its 22nd consecutive year of coverage) and 11 major college games. The Notre Dame season broadcasts will premiere with a Sept. 16 matchup against Michigan. Continuing this year is *The Lou Holtz Show*, a weekly call-in program co-hosted by the team's head coach, and Mutual's Larry Michael.

Mutual's major college broadcasts will begin with the *Kick-off Classic*, featuring Notre Dame vs. Nebraska. Also scheduled is the Army vs. Navy game on Dec. 2. Like last year, the network will also broadcast four college bowl games: Aloha, All-American, Holiday and Sugar.

The network has also prepared a series of two one-hour specials previewing the upcoming football season: *The Road to the National Championship* and *NFL '89*.

The Westood One-owned NBC Radio Network will cover the following four college bowl games this year: Liberty, Rose, Fiesta and Orange. —LC

Programing

Critics give thumbs up and down to new season

Sample of television reviewers talk about hits and misses of a new season labeled 'safe'

Each summer, the networks preview their new fall programs for visiting television critics during the annual press tour in Los Angeles. The critics are wined and dined while the networks and other programers explain the whys and wherefores of their programing strategies, and try to convince the press of each project's bright future. Much of what the critics write can determine how a new show performs, or at least how it is sampled at its debut. The following is a sample of the critics' choices.

Most critics agree the new fall schedule is a "safe" one, free of any risk-taking on the networks' part. Tom Jicha, television critic for the *Fort Lauderdale News/Sun-Sentinel*, said the upcoming season "is the most disappointing in recent memory. Usually there's always something to look forward to," he said, "but not this year."

The Boston Globe's Ed Siegel agreed with the characterization, saying it is "the safest season this decade." Siegel said each network has its own reasons for taking the cautious route. At NBC, Siegel thinks Brandon Tartikoff, president, NBC Entertainment, should be taken at his word when he said during the tour that NBC tried some adventurous programing this past season that was met with viewer rejection. Tartikoff pointed to *The Jim Henson Hour* and *Quantum Leap* as examples. Siegel said that while neither show broke new ground, putting a kids' show [the Henson show] on during prime time was "somewhat innovative. This year he went the other way," said Siegel.

'The Famous Teddy Z'

'Nutt House'

ABC, Siegel said, might be going away from some of the types of shows that former entertainment President Brandon Stoddard put on the schedule, like *China Beach* and *thirtysomething*, in an attempt to "develop more commercial hits. The trend," he said, "is definitely toward more mass-market shows and away from the specialized, demo-specific shows."

At CBS, "I don't have the feeling that there is any sense of direction in their development of one-hour shows," said Siegel. Although he said some of the half-hour comedies looked good, "the hours are just not very good."

Tom Shales, Pulitzer Prize-winning critic for *The Washington Post*, "absolutely" agrees with the safe-season assessment, although he says he sees some interesting signs for midseason. "I can't see anyone getting very interested, but it's also not the worst [new season] ever. It falls right in the middle, but that could be the worst place to be right now," he said. Shales said that although the critics agree the upcoming season lacks risk-taking, most agree that CBS is offering the most promising of the new shows.

"It seems to be the cycle that the last-place network is always the most innovative and this year it's CBS," said Jicha. He pointed to CBS's *The Famous Teddy Z*. He also cited *The People Next Door*, about a

Continued on page 50.

NBC wins week 46; ABC wins news with 9.4/20

NBC won week 46 with a 10.5 rating and a 20.1 share. CBS came in second with a 9.4/17.8, narrowly ahead of ABC's 9.2/17.4. For evening news, ABC came in first (9.4/20), CBS came in second with a 9.1/20 and NBC was third with an 8.6/19. NBC won Monday, Wednesday, Thursday and Saturday. ABC won Tuesday and Friday. CBS won Sunday night.

Nielsen		Net	Show
1	18.8/32	A	Roseanne
2	16.7/31	A	Wonder Years
3	15.5/30	A	Who's the Boss?
4	15.4/26	A	Coach
5	15.4/28	N	Cheers
6	14.9/31	N	Golden Girls
7	14.6/26	C	Murder, She Wrote
8	14.6/26	N	NBC Sunday Movie
9	14.5/25	C	Designing Women
10	14.5/30	N	Empty Nest
11	14.4/25	N	Dear John
12	13.9/28	N	Cosby Show
13	13.8/24	C	Murphy Brown
14	13.6/29	N	Hunter
15	13.5/26	N	Different World
16	13.4/23	C	Newhart
17	13.0/26	C	60 Minutes
18	12.2/23	N	Unsolved Mysteries
19	12.0/22	A	Full House
20	12.0/23	N	Yesterday, Today and Tomorrow
21	11.9/22	A	Head of the Class
22	11.8/23	A	Growing Pains
23	11.6/21	N	Hogan Family
24	11.5/25	A	Mr. Belvedere
25	11.5/20	C	CBS Sunday Movie
26	11.5/21	N	L.A. Law
27	11.3/20	A	Unsolved Mysteries
28	11.3/21	C	Hot Properties
29	11.2/21	N	ALF
30	10.9/20	C	CBS Thursday Movie
31	10.8/21	A	20/20
32	10.6/22	A	Perfect Strangers
33	10.4/18	C	Jake and the Fatman
34	10.3/20	A	Just the Ten of Us
35	10.2/22	N	13 East
36	10.1/18	N	NBC Monday Movie
37	10.0/18	A	Primetime Live
38	9.6/17	F	Married With Children
39	9.5/17	A	MacGyver
40	9.5/19	C	CBS Friday Movie
41	9.2/17	C	Kate and Allie
42	9.2/18	C	48 Hours
43	9.0/16	A	ABC Sunday Movie
44	9.0/16	C	G. Harrison Show
45	8.9/20	N	Amen
46	8.6/15	C	CBS Tuesday Movie
47	8.6/16	F	Totally Hidden Video
48	8.5/15	A	Hooperman
49	8.4/16	N	My Two Dads
50	8.3/15	A	Robert Guillaume Show
51	8.3/17	F	America's Most Wanted
52	8.3/15	N	Knight and Daye
53	8.3/16	N	NBC Friday Movie
54	8.2/16	A	China Beach
55	7.6/13	A	ABC Monday Movie
56	7.4/13	A	Mission: Impossible
57	7.3/16	A	ABC Saturday Movie
58	7.2/14	N	Family Ties
59	7.1/14	C	Wiseguy
60	7.1/16	N	Highway to Heaven
61	6.9/15	C	West 57th
62	6.7/14	N	Magical World of Disney
63	6.7/12	N	NBC Major League Baseball
64	6.6/13	C	Smothers Brothers Fun and Games
65	6.5/13	A	Man Called Hawk
66	6.0/10	F	Tracey Ullman Show
67	5.9/13	C	Paradise
68	5.7/12	N	NBC M.L. Baseball: pregame fues
69	5.5/10	C	CBS Summer Playhouse
70	5.5/11	C	Tour of Duty
71	5.4/11	A	Incredible Sunday
72	5.1/10	A	Protect and Surf
73	5.1/11	F	21 Jump Street
74	5.0/11	C	Beauty and the Beast
75	4.5/10	A	Chain Letter
76	4.5/10	F	Cops
77	4.3/9	F	Reporters
78	4.2/7	F	Garry Shandling's Show
79	3.5/6	F	Duet
80	2.4/5	F	Beyond Tomorrow

Syndication * Scorecard

(Week ending July 30)

1	11.7	Wheel of Fortune, synd.	229	99
2	11.1	Jeopardy!	214	99
3	9.8	Star Trek	231	97
4	9.2	Cosby Show	198	97
5	8.6	Oprah Winfrey Show	214	99
6	7.2	Wheel of Fortune, wknd	208	92
7	6.7	Current Affair	149	91
8	6.7	Entertainment Tonight	170	94
9	6.1	Friday the 13th: part 6	145	89
10	5.7	Donahue	228	93
11	5.6	Geraldo	202	99
12	5.3	People's Court	187	93
13	5.2	Star Search	149	96
14	4.8	Friday the 13th	212	96
15	4.8	Mama's Family, synd.	192	93
	6.1	Wrestling Network	151	91
	9.2	World Wrestling Fed.	254	97

* Nielsen syndicated weekly pocketpiece

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3

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Changing Hands

WTOP(AM)-WASH-FM Washington, WATL(TV) Atlanta and WXIN(TV) Indianapolis □ Sold by Outlet Communications to Chase Commnications for $120 million (see story, "Top of the Week"). **Seller** is headed by David Henderson and owns WQMH-TV Columbus, Ohio, and WJAR-TV Providence, R.I. **Buyer** is headed by Arnold Chase and Roger Freedman and also owns WTIC-AM-FM-TV Hartford and WSTC(AM)-WAZ(FM) Stamford, both Connecticut, WKBQ(FM) Granite City, Ill. (St. Louis), KGLD(AM) St. Louis, and WPTY-TV Memphis. WTOP is on 1500 khz with 50 kw-U. WASH-FM is on 97.1 mhz with 26 kw and an antenna 690 feet above average terrain. WATL(TV) is Fox affiliate on channel 36 with 2,030 kw-visual, 304 kw-aural and antenna 1,170 feet above average terrain. WXIN(TV) is Fox affiliate on channel 59 with 2090 kw-visual and 209 kw-aural and antenna 990 feet above average terrain. *Broker: First Boston represented seller.*

WQBA-AM-FM Miami □ Sold by Susquehanna Broadcasting Co. to Radio WADO Inc. and Tichenor Media Systems for $32,750,000. Purchase price includes building housing station. **Seller** is York, Pa.-based group owner of KFOG(FM) San Francisco, WTKN(AM) Pinellas Park and WHVE(FM) Sarasota, both Florida, WAPW(FM) Atlanta, WFMS(FM) Indianapolis, WRRM(FM) Cincinnati, WARM(AM) Scranton, WMGS(FM) Wilkes-Barre and WSBA(AM)-WARM-FM York, all Pennsylvania. KLIF(AM) Dallas, KPLX(FM) Fort Worth and KKZR(AM)-KRBE-FM Houston, and WGH-AM-FM Newport News, Va. It is headed by Louis J. Appell Jr. and Arthur W. Carlson. **Buyers:** Radio WADO Inc. owns WADO(AM) New York and is headed by Herbert Levine. Tichenor Media Systems is headed by McHenry Tichenor and owns WIND(AM) Chicago and WCJO(FM) Evanston, both Illinois, and KUNO(AM) Corpus Christi (part owners), KBNA-AM-FM El Paso, KGBT(AM)-KIWW(FM) Harlingen, KLAT(AM) Houston and KCOR(AM) San Antonio, all Texas. WQBA is on 1140 khz with 50 kw day and 10 kw night. WQBA-FM is on 107.5 mhz with 95 kw and antenna 980 feet above average terrain. *Brokers: Ted Hepburn Co. and R.C. Crisler & Co.*

Squaring the record. Sales totals for First Boston, Media Venture Partners, R.C. Crisler & Co., and Broadcast Asset Management were incorrectly attributed in Aug. 7 special report on brokers. Totals should have read as follows: MVP, $198,952,000; First Boston, $159,000,000; R.C. Crisler, $81,410,000; Sandler, $80,000,000; and BAM, $75,000,000.

Listing for Johnson Crowley & Associates Inc. was omitted from Aug. 7 alphabetical list of brokers. Johnson, Crowley & Assoc. Inc. is headed by Gene Johnson and John Crowley and is located at 2940 First Union Center, Charlotte, N.C. 28202, (704) 342-9610.

WRAW(AM)-WRFY(FM) Reading, Pa. □ Sold by City Broadcasting Co. to Eight Chiefs Inc. for $18.5 million. **Seller** is headed by Frank Franco and also owns WMMB(AM)-WMMY(FM) Melbourne, Fla. **Buyer** is headed by Ragan Henry, who is sole general partner of Ragan Henry Communications Group (RHCG). Ragan Henry National Radio LP (National Radio) and Communications Management National (CMN). RHCG is licensee of WMXB(FM) Richmond, Va., and WQIA(AM)-WRHK(FM) Memphis. National Radio is licensee of WKSG(FM) Mt. Clemens, Mich. CMN is licensee of WXTR(FM) Waldorf and WWIN-AM-FM Baltimore. Henry also has interest in KDIA(AM) Oakland, Calif., WCMC(AM)-WZXL(FM) Wildwood, N.J., WXGT-FM Columbus, Ohio, and WQOK(FM) Raleigh, N.C. Henry is also purchasing WCOS-AM-FM Columbia, S.C., and KCCV(AM) Independence, Mo. ("Changing Hands," July 31). Henry also has applications pending for three AM's and two FM's. WRAW is on 1340 khz with 1 kw-U. WRFY is on 102.5 mhz with 19.05 kw and antenna 810 feet above average terrain. *Broker: Blackburn & Co.*

KFOR(AM)-KFRX(FM) Lincoln, Neb. □ Sold by Summit Communications Group Inc. to Arrow Communications Inc. for $6.6 million in cash. **Seller** is headed by James Wesley Jr. and owns eight AM's and eight FM's. **Buyer** is headed by Paul Rothfuss and also owns two AM's and seven FM's. KFOR is fulltimer on 1240 khz with 1 kw. KFRX is on 102.7 mhz with 100 kw and antenna 430 feet above average terrain. *Brokers: R.C. Crisler Co. and The Mahlman Co.*

WRHD(AM)-WRCN-FM Riverhead, N.Y. □ Sold by Richard I. Adrian to East Shore Acquisition Corp. Price was not given but industry sources estimate value at $5.2 million. **Seller** has no other broadcast interests. **Buyer** is owned by Gary Starr, former station manager, who has no other broadcast interests. WRHD is on 1570 khz with 1 kw-D. WRCN-FM is on 103.9 mhz with 3 kw and antenna 466 feet above average terrain. *Broker: The Mahlman Co.*

WACT-AM-FM Tuscaloosa, Ala. □ Sold by New South Radio Inc. to Taylor Broadcasting for $2.55 million for stock. **Seller** is headed by Clyde Price and has no other broadcast interests. **Buyer** is headed by Stephen Taylor and also owns WIKS(FM) New Bern, N.C., and WTLZ(FM) Saginaw, Mich. It has applications pending to purchase WWGS(AM)-WSGY(FM) Tifton, Ga. WACT is on 1420 khz with 5 kw day. WACT-FM is on 105.5 mhz with 3 kw and antenna 400 feet above average terrain. *Broker: Chapman Associates.*

WMCF(TV) Montgomery, Ala. □ Sold by Word of God Fellowship Inc. to League of Prayer Inc. for $2,395,000. **Seller** is headed by Marcus Lamb, who has no other broadcast interests. **Buyer** is headed by Mary Stewart Relfe and Bernard Stewart, who have no other broadcast interests. WMCF is independent on ch. 45 with 250 kw visual and 60 kw aural and antenna 303 feet above average terrain.

WCWC(AM)-WYUR(FM) Ripon, Wis. □ Sold by Den-

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